

DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC
OFFICE OF THE ASSISTANT SECRETARY

1 MAY 1998

CONTRACTING POLICY MEMO 98-C-07

MEMORANDUM FOR ALMAJCOM-FOA-DRU (CONTRACTING)

FROM: SAF/AQC
1060 Air Force Pentagon
Washington DC 20330-1060

SUBJECT: Use of Blanket Purchase Agreements (BPAs) with Federal Supply Schedules (FSS)

Effective immediately, the suspension of the award of new BPAs under FSS is rescinded. The use of the FSS provides a streamlined approach to acquire certain commercial supplies and services. Recent attempts to use BPAs under them for the acquisition of large dollar technical support services raised some difficult policy issues. A 24 Oct 97 SAF/AQC memo, subject same as above, placed a moratorium on establishing new BPAs. An integrated product team (IPT) addressed these issues and their findings are available on the SAF/AQC Homepage under FAR Part 8 of the "Contracting Toolkit" (<http://www.safaq.hq.af.mil/contracting/policy/AQCO/part08/iptrpt.pdf>). Additionally, the IPT prepared the attached "FSS/BPA Business Practice Guide" which provides a framework for using the FSS. You should review these documents when considering use of the FSS.

The decision to use the FSS/BPAs should result from an integrated acquisition strategy taking into account all aspects of the acquisition. Some of these considerations may be: a., standardization and interoperability for information technology acquisitions; b., an evolving requirements environment of technical support services, c., the overall acquisition costs of a product or d., establishing and maintaining a competitive environment. Sound business judgment and competition is the foundation of the Air Force's policy on the use of the FSS. Consequently, current regulatory guidance contained in FAR Part 7 on the acquisition planning process apply. Use the estimated acquisition value of your total planned requirement to determine the appropriate acquisition approval authority.

In accordance with FAR Subpart 8.4, competition among schedule contractors shall be obtained when awarding BPAs and resultant orders. If competition is not used a Justification and Approval (J&A) will be executed. The degree of competition used will depend upon the dollar value and complexity of your requirement. Though formal source selection procedures do not apply in using the FSS, many of the source selection principles may be used in the BPA and ordering selection process. This includes the use of an electronic bulletin board or the Commerce Business Daily and establishing evaluation criteria, tailored to the requirement being ordered, to make best value award decisions. The objective is to enhance competitive opportunities to the maximum extent possible.

In addition to competition, your acquisition strategy must promote opportunities for small, small disadvantaged and woman-owned businesses. Buying activities must be aware of their socio-economic

goals and performance, and be proactive in their market research of FSS suppliers. On a quarterly basis, buying activities shall review the data from orders issued under FSS/BPAs to ensure planned socio-economic goals are being achieved. Use of the FSS shall not adversely affect meeting your organization's socio-economic goals. The use of teaming arrangements involving small businesses is appropriate in selected cases. Organizations shall consider small business participation as a factor in their BPA and ordering decisions. Early involvement with your organization's small business specialist during the acquisition planning process is essential.

The current DD 350 reporting system does not provide the Air Force with the direct capability of tracking the type of business utilized under the FSS. Until this capability is available, SAF/AQCI has developed a process to track this information. Therefore, when buying activities place orders against BPAs under the FSS, you will assign an "8" to position ten of the PIIN (example: F12345-98-F-8001). Do not use the "8" for direct orders off the FSS.

Portions of this policy memo will be incorporated into the Air Force FAR Supplement. My point of contact on the use of BPAs with the FSS is Lt Col Bill McNally, SAF/AQCP, at DSN 425-7061, commercial 703-588-7061 or e-mail mcnallyw@af.pentagon.mil. For questions regarding contract reporting contact Ms. Consuelo Reyes-Salas, SAF/AQCI, at DSN 425-7047, commercial 703-588-7047 or e-mail consuelo@af.pentagon.mil.

//signed//

FRANK J. ANDERSON, JR., Brig Gen, USAF
Deputy Assistant Secretary (Contracting)
Assistant Secretary (Acquisition)

Attachment:

FSS/BPA Business Practice Guide (not provided with this document)